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## Viewing cable 06MANAGUA432, SCENESETTER FOR VISIT OF STATE DEPARTMENT

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### Understanding cables

Every cable message consists of three parts:

- The top box shows each cables unique reference number, when and by whom it originally was sent, and what its initial classification was.
- The middle box contains the header information that is associated with the cable. It includes information about the receiver(s) as well as a general subject.
- The bottom box presents the body of the cable. The opening can contain a more specific subject, references to other cables ([browse by origin](#) to find them) or additional comment. This is followed by the main contents of the cable: a summary, a collection of specific topics and a comment section.

To understand the justification used for the classification of each cable, please use this [WikiSource](#) article as reference.

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If you find meaningful or important information in a cable, please link directly to its unique reference number. Linking to a specific paragraph in the body of a cable is also possible by copying the appropriate link (to be found at the paragraph symbol). Please mark messages for social networking services like Twitter with the hash tags **#cablegate** and a hash containing the reference ID e.g. **#06MANAGUA432**.

Reference ID	Created	Released	Classification	Origin
<a href="#">06MANAGUA432</a>	<a href="#">2006-02-24 22:54</a>	<a href="#">2011-08-30 01:44</a>	<a href="#">SECRET</a>	<a href="#">Embassy Managua</a>

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DEPARTMENT FOR WHA, A/S THOMAS SHANNON, WHA/CEN

E.O. 12958: DECL: 02/24/2016  
TAGS: [KDEM](#) [NU](#) [PGOV](#) [PINR](#) [PREL](#) [ECON](#) [ETRD](#) [MARR](#)  
SUBJECT: SCENESETTER FOR VISIT OF STATE DEPARTMENT  
ASSISTANT SECRETARY THOMAS SHANNON

REF: MANAGUA 0394

Classified By: Ambassador Paul A. Trivelli. Reasons 1.4 (B,D).

¶1. (S) Summary: Your visit to Nicaragua allows you to reiterate U.S. opposition to the PLC-FSLN pact and assure the Nicaraguan people we share their desire for free, fair, credible, and inclusive elections. Your engagement will also facilitate progress on CAFTA-DR implementation and MANPADS destruction. We can conclude from the Sandinistas' (FSLN) fraudulent tactics and its dominance over the Supreme Electoral Council (CSE) that the outcome of the Atlantic Coast regional elections will likely favor the Sandinistas. Robust civil society and international pressure on the CSE to cease its partisan actions may improve the odds that the November elections will have a more credible outcome. A four-way presidential race remains the most likely scenario, but a unified Liberal alliance, not necessarily under the PLC, remains a possibility if political stakeholders can agree on joint primaries independent from Liberal caudillo Arnoldo Aleman's control. President Bolanos' decision to endorse Liberal dissident Edua rdo Montealegre and our continued pressure on Alvarado to ally with Montealegre could swing the pendulum in his favor. End Summary.

Bolanos Likely to Complete Term -- But No Carte Blanche

¶2. (C) President Bolanos is reasonably certain of completing his term. Nonetheless, the political machinations of the Sandinistas (FSLN) and the Liberal Constitutional Party (PLC) under the clutches of caudillos Daniel Ortega and Arnoldo Aleman, respectively, continue to hinder Bolanos' ability to push through important security and economic legislation in the National Assembly. In retaliation for President Bolanos' call in his January 18 State of the Union message for a referendum on the Ortega-Aleman pact-driven constitutional changes eroding the Executive authority, Ortega launched crippling and costly nation-wide medical and Managua transport strikes in January and February. The transportation strike was temporarily resolved, at the cost of tacit GON acceptance of a confiscatory tax on oil company profits, but could resurface (reftel); the medical strike continues in some areas. While there were economic reasons for the transport strike, the timing and methods used clearly indicate that Ortega is trying to milk the stoppage for his political advantage.

¶3. (SBU) Nicaragua missed the February 24 deadline to pass the legislative package of CAFTA-DR, which would have allowed Nicaraguan entry into force on March 1. The Assembly's next

plenary sessions will be held during the second and third weeks of March. The Nicaraguan government (GON) and a number of Assembly lawmakers expect the CAFTA-DR legislative packages will pass during the second and third weeks of March, the Assembly's next plenary cycle. The National Assembly continues to drag its feet on MANPADS destruction, while the military and Defense Ministry's efforts have thus far been ambiguous. Ambassador met recently with Armed Forces Commander General Moises Omar Halleslevens and impressed upon him that the success, or not, of his upcoming visit to Washington following the fourth MPC meeting in April, is tied to progress on MANPADS destruction. In addition, President Bolanos needs reminding that destroying all the MANPADS (as per his commitment to President Bush in 2002) could allow financing further military programs and training.

¶4. (S) President Bolanos has confided that PLC dissident Eduardo Montealegre is his most appropriate successor, and that he will endorse him at the "right moment." Firm encouragement on your part could prompt Bolanos to act. Although Bolanos realizes that the U.S. will not publicly endorse a particular candidate, he desires both our "visto bueno" before he proceeds and our engagement with the private sector to encourage them to support a Montealegre campaign. Some financiers, like Carlos Pellas, have contributed to Montealegre's campaign, but contributions thus far have been paltry, while we hear that Pellas is lending Montealegre rival Jose Rizo his helicopter. We can expect Pellas and others -- most of whom would prefer any Liberal candidate, even Aleman, over Daniel Ortega -- to continue hedging their bets and funding all political factions until they witness "white smoke" from the Presidency and our tacit approval of a Montealegre candidacy.

¶5. (S) Your meeting with President Bolanos will enable you to reiterate our support for his government; thank him for his government's support in international fora; congratulate him for supporting CAFTA-DR and urge him to do all he can to get the Assembly to pass remaining legislation so Nicaragua can implement CAFTA-DR by April 1; press him to act on his commitment to destroy all remaining 1,051 MANPADS in the Nicaraguan Army's inventory; and urge him to decide on and make known his successor. You can expect President Bolanos and Foreign Minister Norman Caldera to thank you for yet another extension of Temporary Protective Status (TPS) for some 4,500 Nicaraguans residing in the United States.

Media Opportunities  
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¶6. (SBU) You will have two media opportunities during your visit: a press conference following your meeting with President Bolanos and an exclusive interview with right-of-center daily La Prensa. A media "blackout" will be in place vis a vis political campaigning for the March 5 Atlantic Coast elections (the blackout is in effect starting five days before the election). While general comments urging people to express their views at the ballot box are acceptable, no comments supporting or opposing candidates or parties are theoretically permitted.

Serious Concerns about CSE Remain  
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¶7. (SBU) After much foot dragging, CSE president Roberto Rivas extended a written invitation on January 27 to U.S. Embassy Managua to participate as international observers in the March regional and November national elections. Rivas, who reassured Ambassador February 10 that he would allow IFES to provide technical assistance to the CSE, invited IFES on February 16 to participate in the national elections.

¶8. (SBU) After robust pressure by non-FSLN political parties, civil society, and the international community, CSE Sandinista magistrates retracted their suppression of Electoral Law articles 41 and 116 for the Atlantic Coast elections. Thus, voters may vote in a voting table (JRV)

even if they are not listed there, so long as their cédulas or supporting documents demonstrate they reside in the area. Notwithstanding the FSLN's change in heart over articles 41 and 116, their agreement to abide by these articles applies only to the regional elections for the moment, and how they will apply these articles remains dubious.

¶9. (SBU) Also disconcerting was the CSE's February 17 decision to replace absent PLC magistrates with Sandinista substitutes, a decision upheld by a Sandinista-controlled constitutional tribunal of the Supreme Court. Non-Danielista parties are challenging these decisions. Additionally, Herly Lewites' followers denounced on February 23 what they term a deliberate manipulation of the South Atlantic Coast Autonomous Zone's (RAAS) ballot by not including Lewites candidates on the ballot. (Comment: If all political parties enjoyed representation on the CSE, this type of snafu would be highly unlikely. As it stands, it is unclear whether the error was an act of feigned incompetence to further a particular political interest, or mere human error.)

Status of OAS, U.S./CEPPS and Civil Society Participation  
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¶10. (C) USG/Embassy: Our support for free, fair, inclusive and transparent elections is crucial, but achieving this objective will be difficult with the current PLC and FSLN control over the National Assembly, the courts and the Supreme Electoral Council (CSE). Aleman and Ortega benefit from the current crisis; it distracts Bolanos and the international community from focusing on the 2006 elections, which Aleman and Ortega seek to "fix" for their respective benefits. Timely international technical assistance and monitoring are essential to stemming the efforts of the Sandinistas, and to a lesser degree, the PLC, to fraudulently manipulate election results.

¶11. (C) OAS Mission: In mid-January the CSE belatedly issued invitations for the OAS to observe the March and November elections. The OAS sent a technical team in January, followed by a technical-political team led by Gustavo Fernandez in mid-February. Fernandez concurred with our assessment that the March Atlantic Coast regional elections are "lost," but they will serve as an object lesson to press the Supreme Electoral Council (CSE) to correct its shortcomings for the November national elections. He pledged total information sharing with us and will ask Insulza for at least a pair of additional "notables," so that all the local pressure is not concentrated on him. OAS consultant Patricio Gajardo is directing the technical components of the OAS March elections effort. The team arrived too late to deal effectively with ongoing voter identification and voter registry manipulation by the FSLN on the Atlantic Coast.

¶12. (C) CEPPS/Embassy Atlantic Coast Regional Elections: Embassy Managua will send 20 people to observe the March 5 Atlantic Coast regional council elections. The USG, through CEPPS, is also sponsoring larger observation efforts coordinated by the Institute for Democratic Development (IPADE), Etica y Transparencia, and the Movimiento por Nicaragua. IRI and its partners are providing training for party poll watchers, sponsoring opinion polls, and organizing a civic education campaign. NDI and IPADE conducted an audit of the official voting list on the Atlantic Coast, which revealed serious deficiencies.

¶13. (SBU) Donors: Donors maintain close cooperation on election support activities. In the traditional donor community, there is consensus in support of the democratic sector winning the election. Although the German embassy hosts a bi-weekly coordination meeting of election donors, most missions have not yet defined their contribution. The Danes are working through electoral NGO groups; Japan is providing equipment and plans a small observation mission for the regional elections. Sweden, the Netherlands, and Denmark are working with UNDP to provide training for political party

candidates; the EU is likely to provide funding now that the CSE has invited them to observe. The UN has also offered to provide technical assistance and possibly observers for the November national election.

¶14. (C) Movimiento por Nicaragua (MPN): USAID has channeled through IRI some \$400,000 to MpN to help launch election activities. The MpN's initial focus against the pacto lost some momentum in October after Bolanos and the FSLN signed the framework agreement. The MpN has now set new priorities, including pressing for primaries, monitoring cedula issuance, reviewing voting registries, lobbying for voting abroad and observing elections. IRI, working with MpN and Hagamos Democracia, has introduced the concept of inter-party political party primaries for the first time in Nicaraguan history. However, to date, there is no concurrence on the form and timeline of primaries and they may not occur at all. Your engagement with MpN will encourage them to continue efforts to increase public participation in the political process and clean up government. Urging the MpN to continue its fine work by focusing on a few objectives and reiterating our commitment to support the organization according to our priorities will reassure them.

¶15. (C) Meeting with Archbishop Brenes: Unlike his predecessor Cardinal Miguel Obando y Bravo, Managua Archbishop Brenes has largely refrained from using his office to engage in politicking. Instead, Brenes has urged dialogue and national consensus. Your encouraging him to continue this constructive, apolitical role would be helpful. You may clarify with him that our concern over a possible Ortega win in the elections stems from Ortega's anti-democratic rhetoric; his long record of complicity in human rights abuses - including against the Miskito Indians; and, his probable sexual abuse of his own stepdaughter.

#### Four-Way Race Remains the Likely Scenario - For Now

¶16. (C) A four-way presidential race remains the most likely scenario, as the rift between the PLC and Montealegre continues and Lewites refuses to rejoin the Ortega-controlled FSLN. While many Liberals and other anti-Danielistas concur that the only certain way to prevent an Ortega victory and ensure a Liberal presidency is via a united Liberal ticket (not necessarily under the PLC), getting there is the problem. So long as Aleman controls the PLC, Montealegre refuses to ally with the PLC, claiming, with justification, that while Aleman controls the PLC, Ortega controls Aleman. The National Assembly and the CSE remain beholden to the longstanding FSLN-PLC pact; the PLC maintains a false edge in the former and the FSLN holds a clear upper hand in the latter. Ultimately, Ortega controls Aleman's freedom and

will continue to do so unless the PLC garners the 47 votes required for Aleman's amnesty. Thus, not only would a broad Liberal alliance under Aleman's thumb provide Ortega ammunition to discredit the Liberal alliance because of its corrupt leadership, Aleman could even conceivably permit an Ortega victory in exchange for his freedom and a sizeable number of Assembly seats. This arrangement would ensure the continuity of the Ortega-Aleman pact and sound a death knell for democratic reform.

#### Montealegre-Alvarado Alliance Still Possible

¶17. (C) Many political analysts believe that the only possible way around a split Liberal ticket is a Montealegre-Alvarado candidacy, which could attract a number of PLC affiliates and possibly persuade Aleman to reduce his grip on the party. In early February, Alvarado presented Montealegre his terms for forming an alliance: Alvarado will run as Montealegre's VP, serve as his campaign manager, receive a share of the National Assembly seats, hold



primaries to select departmental deputies; and, be Montealegre's successor. Catching wind of the Montealegre-Alvarado rapprochement, the PLC offered Alvarado and Montealegre joint primaries among the presidential candidates of the three political groups. Alvarado submitted his counter-offer, which expands the number of voters, moves the date to late April or early May, and includes departmental deputies. Montealegre has declined any PLC primary proposal directed by Arnoldo Aleman.

¶18. (C) According to IRI country director Gilberto Valdez, Alvarado's counterproposal is in line with the IRI-MpN primary offer, and he thinks that if the PLC accepts these new terms, Montealegre may be willing to participate. While members of Montealegre's and Alvarado's teams continue negotiations, Alvarado's incessant flitting away from Montealegre and flirting with Aleman have caused Montealegre to doubt his sincerity. Your meeting presents the opportunity to underscore U.S. support for a unified, democratic platform. Conveying to Montealegre and Alvarado our support for the efforts of the "Third Way" to promote true democracy and rule of law in Nicaragua and recognizing that Montealegre, with Alvarado, are a ticket representing these principles, may encourage Montealegre and Alvarado to finalize their alliance. Suggesting to Alvarado that he could be an excellent presidential candidate for the 2011 elections would be helpful.

#### The Herty Factor

¶19. (C) Lewites has been effusive in his desire to maintain cordial, constructive, and cooperative relations with the United States. He has requested that, if elected, a high-level U.S. delegation attend his inauguration to demonstrate that the two governments will be strong allies. Lewites has also been supportive of CAFTA, with the observation that small farmers and small business must in some way be assisted. He also favors MANPADS destruction, asserting "they are of no good use to anybody." On the other hand, some Embassy contacts do not trust Lewites' intentions, noting that members of Lewite's immediate circle are "orthodox" Sandinistas. Others insist Lewites could eventually rejoin the Ortega fold; still others claim the bad blood between them is such that they will never form an alliance. We believe that for now, encouraging the Sandinista division and focusing USG criticism on the FSLN specifically instead of "Sandinistas" as a group is appropriate.

¶20. (S) Your meeting with Lewites will allow you to reiterate that we have no election favorite. Lewites also needs to know that we support democratic candidates who desire responsible government and constructive relations with the United States. Encouraging Lewites to outline his political platform and querying him on where he stands in relation to Venezuela would be helpful.

#### Private Sector Continues Hedging its Bets

¶21. (S) Meeting with Nicaraguan Financiers: Some financiers, like Carlos Pellas, have contributed to Montealegre's campaign, but their contributions thus far have been insufficient to truly advantage Montealegre. Pellas,

for example, is also supporting PLC competitor Jose Rizo. In his heart of hearts, Pellas prefers any Liberal candidate, even Aleman or his designate, over Daniel Ortega. A few financiers are also reportedly clandestinely supporting the FSLN in an effort to "cover the bases" no matter who wins the election. Your message that supporting the anti-pact candidates is the only way to ensure a free, prosperous and democratic Nicaragua could encourage them to redirect their resources.

¶22. (C) Meeting with Foro Liberal: The Foro Liberal is a group of liberal business executives and owners who meet

informally to share political and economic ideas. During election periods, the Foro facilitates fundraising for democratic candidates, sponsors debates among candidates, and funds polls. While the Foro maintains ties with the PLC, some of its members have broken with the PLC. Your meeting accords you the chance to reiterate our commitment to helping Nicaragua hold free, fair, credible, and inclusive elections.

You can also underscore our support for a presidential candidate and lawmakers who will shed Nicaragua's caudillo political culture, replace it with honest, democratic institutions, establish a truly representative balance among Nicaragua's political powers, and reinforce a productive bilateral working relationship.

Meet and Greet

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¶23. (U) Your meeting with the Embassy community will show USG support for their efforts to ensure Nicaragua holds free, fair, and transparent elections in 2006. The Mission has 80 American employees, 11 Family Member employees, 310 local engaged staff (LES), and 280 local guards. In addition to State and USAID, DAO, Mil Group, DEA, OBO, RLA, USDA/FAS/APHIS, Peace Corps, and Millennium Challenge Account offices are present. Construction began on the New Embassy Compound in February 2005. The new embassy is situated on 13 acres; the former Ambassador ("Casa Grande") and DCM residences (currently Marine offices) are on the site. The expected date of completion of the Embassy is around spring ¶2007. The new USAID complex will be co-located on the land and completed in mid-2007.

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